

having received the genuine owner's notice, would refuse to pay, and, so far as I can ascertain, would use the occasion to secure such information as would assist the lawful holder to trace the document; if all efforts in this direction proved abortive the bank or agent would apparently pay the real owner the interest on adequate evidence of the facts (after he had instituted exhaustive inquiries and efforts), and on a satisfactory independent indemnity to which they would naturally be entitled; while, should the Bond fail to be recovered at the time of redemption, it is probable that with British banks or agents, the capital might be paid upon similar evidence (with testimony to character, also, in the two cases) and a correspondingly substantial indemnity by responsible persons.

But the decision would obviously rest exclusively with the bank or agent; no legal right on the side of the owner would appear to exist, since one of the necessary conditions of payment is the production of the Bond for cancelment, and it is solely the owner's fault that this cannot be fulfilled. No bank or agent—and properly so—will express a judgment upon a hypothetical case, and the inference would seem to be that, facile as these losses and robberies are, very few of them have actually occurred,

My own preference leans towards inscribed or registered Bonds; but I would in no way dissuade an investor from accepting Bearer Bonds, provided he can adopt the necessary adequate precautions indicated: he should accordingly keep them, if possible, at a bank. I also advise him to attend personally at the bank on each occasion when the interest becomes due, and cut off the requisite coupon himself. But, with the object of avoiding this frequent trouble to himself and the bank, and for the additional purpose of protection, I have found it a salutary practice to cut off at the beginning of each year the whole of the coupons for that and the succeeding year: this course somewhat neutralises the difficulty I have pointed out, since, if the Bonds were stolen or lost, an attempt at sale would excite

suspicion of ownership, and the caution of inquiry, looking to their mutilated state.

Where a purchased security belongs to the class of